



# WISCONSIN REGULATORY DIGEST

**Volume 4, No. 1**      **A Publication of the REAL ESTATE APPRAISERS BOARD**      **JUNE, 1997**

## RENEWAL TIME COMING

All credential holders will be renewing by January 1, 1998. Each appraiser must complete 20 hours of continuing education (CE) before this date, regardless of when the credential was issued (**NO EXCEPTIONS**). Credential holders are responsible for securing and retaining verification (proof) of having completed 20 CE hours. The records must be kept for a period of five (5) years. **DO NOT** submit records to the Department unless requested to do so during a compliance audit. Because courses change constantly, we are unable to have printed lists. We will, however, verify by telephone whether a course has been approved by the department. Please have the course title and the name of the sponsor ready when you call.

**NOTE: 1997 REAL ESTATE CE COURSE 3 - NEW DEVELOPMENTS.** has been approved for real estate appraisers for 3 credit hours

### **RENEWAL FEES:**

<i>Licensed Appraiser:</i>	<i>\$99.00</i>
<i>Certified Residential:</i>	<i>\$132.00</i>
<i>Certified General:</i>	<i>\$132.00</i>

Fees include a \$50.00 Federal Registry Fee.

## **THE WISCONSIN REAL ESTATE APPRAISERS BOARD**

### **Members of the Board:**

Mary Reavey, Chair (Racine)  
Paul "Rick" Vozar, Vice Chair (West Allis)  
James Caven, Secretary (Madison)  
Gary Cuskey (Spooner)  
Linn Duesterbeck (Janesville)  
LaMarr Franklin (Glendale)  
Lill Hauschild (Kenosha)

### **Administrative Staff:**

Patricia H. Reuter, Bureau Director

### **Executive Staff:**

Marlene A. Cummings, Secretary  
Patricia McCormack, Deputy Secretary  
Myra Shelton, Executive Assistant  
Every fourth renewal (every 8 years), appraisers are required to repeat the 15 hours of standards of

professional appraisal practice. This course must include an **examination**. The course may only be taken during the appropriate biennium. The department will notify credential holders when this course must be repeated. **NOTE: THE STANDARDS COURSE IS NOT REQUIRED THIS RENEWAL PERIOD.**

## GOVERNOR APPOINTS NEW BOARD MEMBER

Governor Tommy Thompson appointed LaMarr J. Franklin, as a public member. Mr. Franklin is National Sales Manager/Owner of Marrs Systems in Milwaukee. LaMarr has many accomplishments to his credit: Board member, Milwaukee Health Services, Inc., Milwaukee Immediate Care Center; Neighborhood Family Initiative; Martin Luther King Economic Development - Loan Fund, Chair; North Central YMCA Board of Directors, Past Chair; YMCA Black Achievers Program, First Chair, to name just a few.

### **ATTENTION**

#### **1997 USPAP AVAILABLE**

The Financial Institutions Reform and Recovery and Enforcement Act of 1989 (FIRREA) requires real property appraisers to comply with USPAP. The 1997 edition contains useful information for all appraisers. To order, send \$25.00 to:

**The Appraisal Foundation**  
**1029 Vermont Ave NW, Suite 900**  
**Washington, DC 20005-3517**  
**(202) 347-7722**

**or fax your credit card order to (202) 347-7727.**

## **FOUNDATION NOW HAS WEBSITE**

The Appraisal Foundation has established a website. Reach the site by logging on at: **www.appraisalfoundation.org**. Use it to comment on exposure drafts; order publications and services; correspond with Foundation boards/staff or receive other association and state board information.

## **STANDARD 2-2 REVISIONS NOW IN EFFECT**

As of August 1, 1995 appraisers must identify the type of appraisal product being produced. The chart below describes the six types of appraisal products. For more information on comparison report types, see USPAP Standard 2-2.

### SIX TYPES OF APPRAISAL PRODUCTS

DEVELOPMENT PROCESS	REPORT TYPE
Complete Appraisal	Self-Contained
	Summary
	Restricted
Limited Appraisal	Self-Contained
	Summary
	Restricted

*Note: The appraisal development process and the reporting process can be combined six different ways. Complete Appraisals or Limited Appraisals can be reported in any of the three report types.*

**CONTINUING EDUCATION REMINDER**  
**START EARLY and remember both the course and the instructor must be approved by the Department.**

### APPRAISAL STANDARDS BOARD

**USPAP Revision Underway:** The ASB has concluded that the best and most effective way to resolve the problems which have been identified, is to address them in a major restructure and revision of USPAP. A briefing paper which provides an overview on the factors that caused the need for a restructured and revised USPAP and what kind of changes the ASB will propose is available. Two problems listed in the paper are:

\*Departure Provision - has not worked due to the lack of clear and easily understood base requirements.

\*There are significant differences in how valuation, consulting and review appraisal services are provided in different sectors. A change is needed to deal with these differences.

The ASB plans to submit its proposals to restructure and revise USPAP with changes in three major areas: (1) structure, (2) language, and (3) concepts.

(1) The restructured and revised USPAP will have two distinct parts. These two proposed parts will be preceded by an introduction describing the document's history, parts and function. Part One will apply to all types of appraisal assignments, and contain an Ethics Standard, a Jurisdiction Standard, a Supplemental Requirements Standard, a Competency Standard, an Appraisal Process Standard, and Definitions. Part Two will include performance standards specific to the various appraisal practice disciplines currently represented in Standards 1 through 10 of the 1997 USPAP.

**NOTE:** Information was taken from Appraisal Standards Board Briefing Paper and is subject to change at this time.

### EXPERIENCE REVIEW CHANGES

In an effort to standardize application review procedures, to relieve the tremendous amount of staff hours taken by the former procedure and to conduct reviews similar to surrounding states, the department has changed the application review procedures. The roster that applicants are required to complete has been revised and now gives sufficient information to determine whether a review of high averages is necessary. A column was added so an applicant can note whether a form or a narrative approach was used to complete the appraisal. This will assist the bureau in determining which appraisals should be reviewed.

Review will continue on those applications:

- (1) where the roster lists high averages for hours of experience shown for a project; and
- (2) for appraisals based on experience gained using USPAP standards other than Standards 1 and 2. (It is anticipated that this will include most commercial appraisals.).

The Division of Enforcement will also continue to review a sampling of an appraiser's experience if a complaint alleging incompetence is filed. These procedures became effective November 18, 1996.

### NEW "AOB" REQUIREMENTS

Revisions to the appraiser qualification criteria adopted by the Appraiser Qualifications Board ("AOB") of the Appraisal Foundation require that Chapter 458, Real Estate Appraisers Board, be amended in order to comply with federal law. Because of frequent changes at the federal level, the department is proposing that education and experience requirements be enumerated in administrative rules rather than in the statutes so that new requirements can be implemented on a more timely basis.

SUMMARY OF AOB REQUIREMENTS			
License Category	Education	Experience	CE
<b>Licensed</b>	Current: 75 hours Revised: 90 hours <sup>1</sup>	2,000 hours <sup>2</sup> No Change <sup>2</sup>	20 hours 28 hours
<b>Residential</b>	Current: 120 hours Revised: No change	2,000 hours 2,500 hours <sup>3</sup>	20 hours 28 hours
<b>General</b>	Current: 165 hours Revised: 180 hours <sup>1</sup>	2,000 hours 3,000 hours <sup>4</sup>	20 hours 28 hours

1. Hours include 15 hours relating to USPAP
2. WISCONSIN REQUIRES ONLY 500 HOURS.
3. Hours must be completed in not less than 24 months.
4. Hours must be completed in not less than 30 months

### THESE REQUIREMENTS WILL BECOME EFFECTIVE JANUARY 1, 1998 OR SUBJECT TO ADOPTION OF THE ADMINISTRATIVE RULES.

Those individuals who submit their applications for licensure **PRIOR TO JANUARY 1, 1998**, must meet the requirements that are in place at the time of application. The time of application is set by filing an application with the department and paying the appropriate fee.

### CURRENT LICENSEE STATISTICS

Certified Residential Appraisers	917
Certified General Appraisers	628

## **DISCIPLINE SUMMARY**

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<b>SUE A RILEY</b>	<b>Certified Residential Appraiser</b>
<b>VOLUNTARY SURRENDER</b>	<b>94 APP 037</b>

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**Violations:** Wisconsin Statutes s. 458.26 (3) (b), (c) and (i); Wis. Adm. Code s. RL 86.01 (1), (2), (5), (6) and (7), and the Conduct Section of the Ethics Provision of USPAP.

**Discipline:** Voluntary Surrender of Credential. \$300.00 costs. Effective July 27, 1996.

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<b>JEFFREY D LAPOINTE</b>	<b>Certified Residential Appraiser</b>
<b>SUSPENSION</b>	<b>93 APP 026</b>

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**Violations:** USPAP Standards Rule 1-1, 1-2 (b), 1-4 (b), 1-5 (b); Standards Rule 2-1 (a) and (b), 2-2 and 2-3.

**Discipline:** In resolution of the matter and subject to complete denial of liability, respondent agrees to accept the suspension of his certification for an indefinite period of time. The suspension shall remain in effect until respondent completes 40 hours of residential appraisal education; 40 hours of commercial appraisal education and 15 hours of USPAP education. While completing the coursework, respondent may obtain a stay of the suspension; provided, he agrees to be supervised by another appraiser. Within 3 months of completing the commercial appraisal and USPAP education, respondent may conduct commercial appraisal without supervision; provided he submits his first 2 commercial appraisal reports to the Board for review. \$500.00 costs. Effective September 28, 1996.

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<b>ROBERT G ZAREK</b>	<b>Certified Residential Appraiser</b>
<b>EDUCATION REQUIRED</b>	<b>94 APP 007</b>

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**Violations:** Wisconsin Statutes s. 458.26 (3) (c), and Wis. Adm. Code s. RL 86.01 (2).

**Discipline:** Respondent was ordered to complete at least 15 hours of USPAP related education and a minimum of 15 hours of coursework relating to Real Estate Appraisal Principles. \$250.00 costs. Effective November 25, 1996.

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<b>JAMES G BUCHTA</b>	<b>Certified General Appraiser</b>
<b>LIMITATION</b>	<b>95 APP 002</b>

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**Violations:** Wisconsin Statutes s. 458.26 (3) (c); Wis. Adm. Code s. RL 86.01 (2) and (6) and USPAP Standards Rule 1-4, 2-1 and 2-2.

**Discipline:** Respondent neither admits nor denies committing the alleged violations. In resolution of the matter, respondent agrees to cease and desist from performing commercial/industrial appraisals which require a Certified General Appraiser certificate until he completes 40 hours of commercial/industrial education

and a course on USPAP and report writing. Following completion of the educational coursework, respondent may resume practice under the supervision of a Certified General Appraiser for a period of not less than 4 months. After the 4 month period of supervision, respondent may

resume practice without supervision; provided, the supervising appraiser certifies to the Board that respondent is competent to perform commercial/industrial appraisals independently, and provided respondent submits his first 3 appraisal products to the Board for review. \$600.00 costs. Effective December 23, 1996.

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<b>DANIEL R VRADENBURG</b>	<b>Certified General &amp; Certified Residential Appraiser</b>
<b>VOLUNTARY SURRENDER</b>	<b>94 APP 047</b>

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**Violations:** Wisconsin Statutes V 458.26 (3) (c) and Wis. Adm. Code s. RL 86.01 (1) and (6).

**Discipline:** Respondent refutes and denies committing the alleged violations, but in settlement of the matter agrees to voluntarily surrender his Certified General Appraiser certificate. Respondent further agrees to cease and desist from performing commercial appraisals which require a Certified General Appraiser certificate until he demonstrates to the Board that he is capable of conducting such appraisals in a competent manner. \$1,000 costs. Effective March 8, 1997.

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<b>JOHN D WALSH</b>	<b>Certified General &amp; Certified Residential Appraiser</b>
<b>REPRIMAND</b>	<b>93 APP 029</b>

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**Violations:** Wisconsin Statutes s. 458.26 (3) (c); Wis. Adm. Code s. RL 86.01 (1), (2) and (5) and USPAP Standards Rule 1-1, 1-4, 2-1 and 2-2.

**Discipline:** Reprimand. Respondent must complete a minimum of 15 hours of real estate appraisal education. \$300.00 costs. Effective February 26, 1997.

### **COMPLAINT PROCEDURES**

Because policing of the profession is complaint driven, the Board must rely on professionals in the field as well as lending institutions and unsatisfied customers to file complaints. The Board encourages you to become involved to help raise the level of professionalism in the field. If you have a complaint about an appraisal or the actions of a licensed or certified appraiser, you can contact the Department for a complaint form or submit your complaint in writing. Please provide as much information as possible.

Appraisers, if a complaint is filed against you, be aware that you have legal rights to due process. You will be contacted by the Department during the investigative stage and given an opportunity to defend yourself. You may be represented by an attorney.

**VISIT THE DEPARTMENT'S WEB SITE AT**  
<http://badger.state.wi.us/agencies/drl/>

Department of Regulation and Licensing  
Real State Appraisers Board  
P.O. Box 8935  
Madison, WI 53708-8935

# REGULATORY DIGEST

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## STAFF

**Patricia Reuter** (608) 266-3423  
Bureau Director  
**Judy Mender** (608) 267-4854  
Application Review/Issues/Denials  
**Lydia Bridge** (608) 266-5440  
Certifications and Verifications  
**Kris Rogers** (608) 266-1574  
Digest, Board Minutes

## 1997 BOARD MEETING DATES

July 16, 1997

September 24, 1997

November 19, 1997

All meetings are held at 1400 E. Washington Ave.,  
Madison, WI and are open to the public.

## WISCONSIN AREA TEST INFORMATION

Location	Test Frequency
Elm Grove/ Milwaukee	Weekly, Tues. - Sat.
Madison	Every Saturday
Green Bay	2nd & 4th Sat. of the month*
Menomonee	2nd & 4th Sat. of the month*
Wausau	4th Saturday of the month*
Minneapolis, MN	Weekly, Tues. - Sat.
Duluth, MN	2nd & 4th Sat. of the month*
Rochester, MN	2nd & 4th Sat. of the month*
Marquette, MI	4th Saturday of the month*
Chicago, IL	Weekly, Tues. - Sat.

No testing on National Holidays or Holiday Weekends.

\*Testing in May and November will be on the 1st & 3rd  
Saturday of the month (on the 3rd Saturday at  
Marquette & Wausau Locations). Testing in December  
will be on the 2nd Saturday only.

## WISCONSIN STATUTES AND CODE

Copies of the Wisconsin Statutes and Administrative  
Code can be ordered through the Board Office. Include  
your name, address, county and a check payable to the  
Department of Regulation and Licensing in the amount of  
\$5.28.

## CHANGE OF NAME OR ADDRESS?

Please photocopy the mailing label of this digest, make  
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cally provided, but may be verified by calling the board  
office one week after mailing the changes.

**WIS. STATS. S. 440.11 ALLOWS FOR A \$50  
PENALTY TO BE IMPOSED WHEN CHANGES  
ARE NOT REPORTED WITHIN 30 DAYS.**

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